by SEBI for listed companies, in particular relating to optimum combination of executive and non-executive directors on the Board, remuneration of directors, periodicity of and disclosure to Board meetings, roles and responsibilities and conduct of business of Independent Audit Committee, compliance with accounting standards, stock exchange and legal requirements are already in place in banks.

(b) The Government from time to time has taken steps to improve Corporate Governance by making provisions in the Companies Act, 1956 such as (i) providing for compliance with the accounting standards in preparation of profit and loss account and balance sheet (ii) to cast duty on the Board of Directors to include *inter-alia* in the Directors' Responsibility Statement that applicable accounting standards had been followed and (iii) to provide for appointment of an audit committee by the companies having paid up capital of not less than rupees five crores. Further, if accounts do not present a true and fair view of the affairs of an Indian company, it can be prosecuted under Section 211 and/or Section 628 of the Companies Act. The concerned auditing firm can be prosecuted under Section 233 of the Companies Act or proceeded against, for professional misconduct, under Section 21 of the Chartered Accountants Act.

Mounting arrears of Disputed Tax of Corporates

2050. SHRI CHO S. RAMASWAMY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the disputed tax liability of the corporate sector is on the rise;

(b) if so, the total liability and the details of the individual liabilities;

(c) what are the reasons for this mounting arrears; and

(d) what steps are being taken to recover these dues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The total disputed tax liability has been showing an upward trend in the last 3-4 financial years. Statistics in respect of the Corporate and non-Corporate sectors are not separately maintained.

(b) The total disputed tax liability at the end of December, 2002 was

Rs. 41,626.98 crores. The disputed tax liability against individual tax payers is not feasible to be provided in view of lakhs of tax payers against whom such liability is outstanding.

(c) The main reason for the mounting arrears is the inordinate delay in finalisation of the assessments due to various stages of appeal involved. Other reasons include stay granted by the Tribunal, Courts and Settlement Commission, non-cooperative attitude of the assessee, death or non traceability of the assessee, etc.

(d) A comprehensive instruction on recovery of tax demand has been issued by the Central Board of Direct Taxes vide Instruction No. 1914. A number of other steps have also been taken to improve realisation of arrears of taxes which include the following:

1. Reduction and collection of arrear demand is always a major area of the Annual Action Plan Targets formulated by the CBDT for the Income Tax Department and its achievement is pursued with seriousness. It is also an important criteria for evaluation of the performance of an officer.

2. The cases where taxes in arrear exceed Rs. 10 lacs are reviewed by very senior officers of the Department at the end of every quarter and necessary instructions are issued to the subordinate authorities for further action.

3. Strengthening the post of the Tax Recovery Officer after the restructuring of the Department for more effective collection of taxes.

4. More posts of Commissioner (Appeals) have been created for faster disposal of appeals.

5. The span of control in the income-tax Department has been reduced after the restructuring of the Department, thereby allowing closer supervision of the collection work by the higher authorities.

6. The Department has issued instructions to the field authorities not to file appeals in cases where the revenue implication is not high so as to reduce the amount of litigation and arrive at quick finalization of cases.

7. Arrears of demand, which have become uncollectible beyond doubt, are written off under prescribed guidelines.

RBIs Policy for Home Loans

2051. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the recently announced credit policy of the RBI has given a boost to home loan market;

(b) if so, the details in this regard;

(c) whether it is a fact that to a large segment of the organised sector, even with the expected fall in home loan interest, owning a home is out of reach;

(d) if so, whether Government propose to consider further reduction in home loan interest or provide some subsidy to facilitate middle and lower rank employees of organised sector to purchase houses;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. In the monetary policy statement announced by RBI on April 29, 2002, RBI recognized the growing importance of the construction sector including its forward and backward linkages with other sectors of the economy and encouraged banks to increase the flow of credit to this sector.

With a view to further improve the flow of credit to housing sector, in the recenlty announced Monetary & Credit Policy for the year 2002-03 RBI proposed to liberalise the prudential requirements for housing finance by banks and encourage investment by banks in securitised debt instruments of Housing Finance Companies (HFCs), Accordingly:

> The term loans extended by bankis to intermediary agencies against the loans sanctioned by them have been allowed to be reckoned as part of housing finance. Also, investment in bonds issued by HUDCO and NHB exclusively for financing of housing is being reckoned for priority sector targets.